

Tax Strategy Brunel International N.V.

1. INTRODUCTION

This document sets out Brunel International N.V.'s policy and approach to conducting its tax affairs and dealing with tax risk, and is made available to all stakeholders. Brunel International N.V. is the ultimate parent of the Brunel Group. Brunel International N.V. is domiciled in the Netherlands and has subsidiaries all over the world. The document will be periodically reviewed by Corporate Finance and Control and any amendments will be approved by the company's Chief Financial Officer. It is effective for the year ending 31 December 2017, and will remain in effect until any amendments are made. Over 2017 the group has reported a worldwide turnover (revenue) of EUR 790 million.

2. BRUNEL GLOBAL TAX GOVERNANCE AND STRATEGY

Pursuing a transparent and honest tax policy is part of doing business for Brunel. As such, our tax structure follows our business and Brunel has no evasive tax-structure. Complying with tax laws and paying fair share of taxes is an important part of our corporate social responsibility since it contributes to provide the basic building blocks for economic growth in the countries we operate, even more so in the developing countries. We do not only pay a substantial amount of corporate income tax, but also significant amounts on other taxes such as wage taxes, withholding taxes and VAT. Due to the nature of our business, wage tax is an important area for us, both for compliance as well as for the significance of the amounts.

Since tax compliance is an important part of our service delivery, it is our policy to effectively manage risk and to comply with all applicable tax laws, rules and regulations. The aim is to comply with the letter as well as the spirit of the law. Therefore, we make use of the services of reputable tax advisors at both local and group level. We strive to establish an open and transparent relationship with the tax authorities in all countries we operate in. To achieve consistency, all significant dealings with tax authorities are monitored by the CFO.

Transactions conducted between group companies located in different countries are conducted in line with the OECD Guidelines for Multinational Enterprises and other local transfer pricing regulations.

Our tax strategy is best summarized as follows:

KEY ASPECTS :	RESPONSE PLANS:
Additional cost	Formal procedures and monitoring systems around tax compliance
Reputation damage	Engage reputable tax advisors
	Training
	Implement group wide controls

3. COMPLIANCE WITH LAWS , REGULATIONS, LOCAL STANDARDS AND CODES

Brunel's global presence exposes it to a variety of regulatory, political and other environments that may affect our business and operations, especially in emerging markets where the legal systems are in varying stages of development. In specific countries with tougher business environment, we also face uncertainties, which are cases of unknown probabilities. In particular, our operations in these difficult countries are subject to the uncertainty associated with the local legal system, which could adversely affect our business and limit the legal protection available. Although we cannot predict the effect of further legal developments in such countries, we make careful decisions when we tap into any new countries, in order to manage or even avoid the uncertainties. Non-compliance with internal policies and/or external laws and regulations by employees, subcontractors or third-party suppliers could result in financial losses, loss of customers or reputational damage.

Brunel is a full member of TRACE International since 2013 and complies with global anti-corruption laws, in particular the United States Foreign Corrupt Practices Act and UK's Anti- Corruption & Bribery Act 2010.

4. TAX RISKS

Brunel operates worldwide which exposes the group to various jurisdictions and complex tax systems. Considering the type of business, taxation is a large part of our costs. As compliance is one of the most important parts of our service, tax compliance is therefore one of the major business risks within Brunel. Depending on jurisdictions, tax rules as well as interpretations can be subject to changes, which can expose Brunel to additional tax cost.

5. RISK RESPONSE

As a response to these risks, we have set up a process of monitoring and control. The most important processes within Brunel are:

1. Commercial compliance
2. Payroll team & support
3. Tax return and filing process
4. Internal control by our Corporate Finance and Control department

5.1. Commercial compliance

The most important risk in our business arises when new contracts are signed for the placements of contractors. A full understanding of all tax requirements is essential for our business, both for our profitability and reputation. Since safeguarding tax compliance requires detailed tax knowledge, we have setup a commercial responsibility matrix. Decisions will be taken at an appropriate level, determined by a formal Authorization Matrix. Diligent professional care and judgement will be employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed.

Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from external advisors to support the decision-making process.

5.2. Payroll team & support

Our payroll teams in the specific locations are responsible for the payroll calculations. For most locations we have engaged an external payroll provider. Important consideration to engage an external payroll provider is the guaranteed (tax) compliance. The ability to provide an ISAE 3402 declaration is part of the selection process of an external payroll provider. In all cases, Brunel also has a separate payroll team that monitors the payroll is compliant.

5.3. Procedures for filing returns

Brunel knows the following forms of filing payroll tax returns:

- Return done by Brunel
- Return done by external payroll provider
- Return reviewed / provided by external advisor.
- For the more complex countries, an external payroll provider or external advisor usually provides the return.

An external advisor provides all corporate income tax returns.

5.4. Internal control by Corporate Finance and Control

Corporate finance and control performs the following review:

- Review of the tax items booked in the monthly internal reports;
- Review of the tax items reported in the additional information sheets;
- Review of the tax positions and communication to and with the local tax authorities during a visit on the offices.

The companies CFO should be informed on new tax matters and monitors the progress of these cases.

6. TAX PLANNING

As part of the Brunel Group tax strategy, we do not structure the organization to achieve tax advantages. The corporate structure of Brunel follows our business, which is also reflected in the fair share of tax paid worldwide.

The group has a very basic structure of transfer pricing services. These services are limited to management, legal and administrative support and IT support. All of these services are part of the normal business functionalities within a global entity and are recharged based on usage.

7. WORKING WITH HMRC

In 2017, the group operates in the United Kingdom via its 100% subsidiary Brunel International (UK) Limited and Celsius Ltd.

On a timely basis, Brunel performs the following activities:

- Return of VAT and EC-list. This return is filed by the accountant responsible for the administration of our entity in the United Kingdom;
- Return of Wage Tax. This return is filed on a monthly basis by our external payroll provider.
- Return and filing of Corporate Income Tax. This is done on a yearly basis by our external tax advisor.
- Additional notifications on Tax strategy, Country-by-Country reporting and local transfer pricing files, if already due, are filed by the accountant responsible for the administration of our entity in the United Kingdom.

Brunel's cooperation with HMRC regarding current, future and past tax risks, tax events and interpreting the law is and will be on an open and transparent basis.